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Evaluating the Continued Operation of Dominion Energy's Coal-Fueled Generation in South Carolina

ENERGY VENTURES ANALYSIS

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Executive Summary

Dominion Energy South Carolina's ("DESC") 2026 Integrated Resource Plan ("IRP") assumes the retirement of Wateree at the end of 2032 and Williams at the end of 2034, even though DESC states that both units can operate into the mid-2040s and its own depreciation study assigns them probable retirement dates of 2045 and 2048. With the proposed NextEra-Dominion transaction potentially placing the plants under new ownership, this report uses DESC's own IRP to quantify the economic, reliability, and system-flexibility value of preserving their remaining operating lives. The IRP does not support treating the current retirement dates as fixed economic endpoints. Under reference conditions, optimizing retirement timing keeps Williams through 2046, lowers customer costs, and defers replacement investment. Under higher load, the model retains both Wateree and Williams into the mid-2040s. At the same time, earlier retirement increases DESC's dependence on new generation, transmission, and natural gas pipeline infrastructure and shifts the winter capacity mix further toward pipeline-delivered natural gas.

Key Findings

1. **Delaying coal retirements lowers the projected 2040 retail rate** by approximately 6.4%, from $0.1966/kWh to $0.1841/kWh. The savings come from deferring replacement capital: retaining Williams shifts 946 MW of frame CT additions from 2040 and 2045 to 2047, postponing investment rather than changing the ultimate resource mix.

2. **The savings come from deferring replacement capital.** Retaining Williams shifts 946 MW of frame CT additions from 2040/2045 to 2047, postponing investment rather than changing the ultimate resource mix.

3. **The high load case is a near-term step change, not a faster long-run growth rate.** The reference forecast used in the preferred plan grows winter peak demand at 1.4% a year; the high load forecast grows at roughly 2.2%. The two are identical through 2028 and diverge entirely between 2029 and 2031, after which both grow by the same annual increments, and the gap holds at about 1,011 MW. What the high load case asks is therefore whether roughly 1,011 MW of economic-development load connects in the late 2020s, not whether South Carolina grows faster for two decades. Also, the reference forecast is a more conservative benchmark: DESC's reported annual system peak grew at about 1.7% a year from 2020 through 2025, above the 1.4% the reference case assumes.

4. **Higher load materially increases the value of Wateree.** Under reference load conditions, Wateree retires in 2032; under the high-load case, it remains operational through 2044, while Williams remains through 2046. The high-load case differs from the optimized reference case only in the load forecast, holding fuel and CO2 assumptions constant, so it isolates the effect of demand on the economic retirement date.

5. **Earlier retirement increases dependence on unbuilt replacement infrastructure.** Williams provides about 80% of Charleston area generating capacity and cannot retire until Canadys, a planned 2,180 MW combined-cycle natural gas plant being developed by DESC and Santee Cooper, and required transmission facilities are in service; Canadys itself depends on new pipeline and transmission projects.

6. **Retention preserves firm winter capacity without sacrificing reserve margins.** Both the preferred and optimized-retirement build plans maintain DESC's 20% minimum winter reserve margin, but the optimized-retirement case does so with more existing dispatchable capacity and less near-term replacement construction.

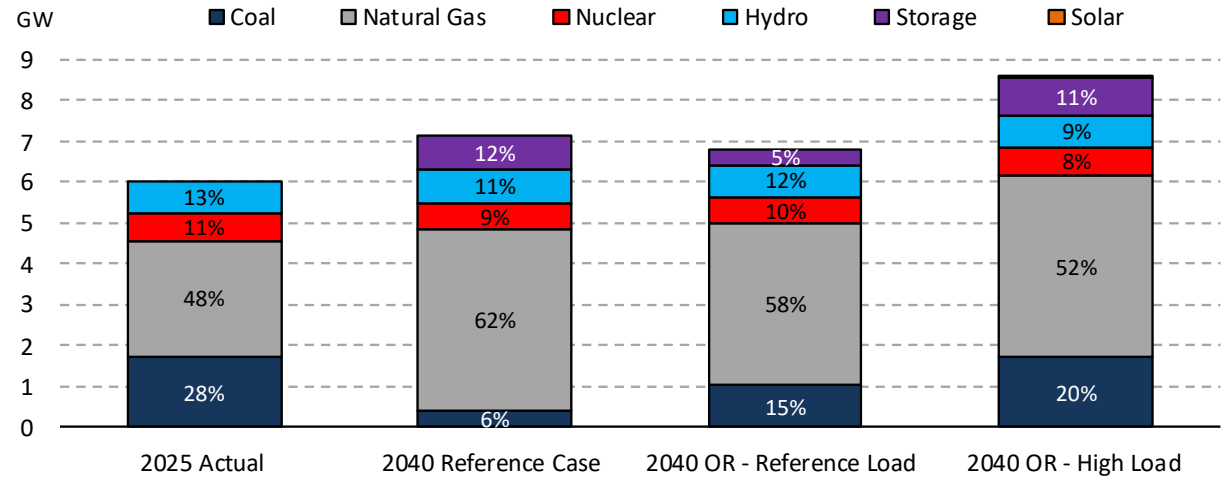
7. **The preferred pathway increases exposure to natural-gas delivery risk.** Natural gas-fired resources account for about 48% of winter peak-adjusted capacity in 2025, growing to roughly 62% by 2040 in the Reference case - a substantial increase in reliance on a single, delivery-dependent fuel source. Retaining the Williams coal unit adds fuel diversity to the portfolio, keeping on-site, stockpiled generation on the system rather than concentrating nearly two-thirds of

winter capacity in gas-fired resources. DESC identifies constraints on firm natural gas transportation in the Lowcountry, and EVA's 2023 South Carolina Electric & Natural Gas Reliability Study found that, under a post-retirement resource mix, the regional gas system would have required incremental LNG supply to close the December 2022 supply gap. Coal's on-site fuel inventory, unlike pipeline-delivered natural gas, does not depend on the timely, peak-day delivery of supply that is not guaranteed to arrive.

8. **The regulatory case for accelerated coal retirement has weakened.** The IRP's GHG-retained cases force both units out by 2032, while repeal-based cases allow later operation. Four federal actions since those assumptions were set have moved conditions toward the repeal-based pathway: the ELG Deadline Extensions Rule (December 31, 2025), which lets units move into and out of the 2034 coal-cessation subcategory through the end of 2034; rescission of the 2009 greenhouse-gas endangerment finding for motor vehicles (February 18, 2026); repeal of the 2024 Mercury and Air Toxics Standards amendments (February 24, 2026); and partial repeal of the 2024 Carbon Pollution Standards (September 17, 2026, effective November 16, 2026), paired with a proposal to rescind the remaining Section 111 standards for power plants. That repeal is under challenge in the D.C. Circuit, so the direction of federal policy is clearer than its durability.[1]

9. **Neighboring states are adding gas-fired demand to the same regional pipeline network.** Duke Energy has proposed roughly 9.7 GW of new gas-fired capacity across the Carolinas by 2033, and the Georgia Public Service Commission certified approximately 3.7 GW of new combined-cycle capacity for Georgia Power in December 2025. South Carolina sits between roughly 13 GW of new gas-fired generation drawing on the same interstate system that would serve Canadys. Georgia also moved in the opposite direction on coal: the same planning cycle extended roughly 4,000 MW at Plants Bowen and Scherer, previously scheduled to retire in 2035 and 2028, through 2038, citing load growth.[2]

FIGURE ES-1: FIRM WINTER CAPACITY BY FUELTYPE



Source: DESC IRP 2026

[1] Effluent Limitations Guidelines and Standards for the Steam Electric Power Generating Point Source Category—Deadline Extensions (published December 31, 2025); Rescission of the Greenhouse Gas Endangerment Finding and Motor Vehicle Greenhouse Gas Emission Standards Under the Clean Air Act, FR Doc. 2026-03157 (February 18, 2026); National Emission Standards for Hazardous Air Pollutants: Coal- and Oil-Fired Electric Utility Steam Generating Units: Final Repeal, FR Doc. 2026-03638 (February 24, 2026); Partial Repeal of the Carbon Pollution Standards for Fossil Fuel-Fired Electric Generating Units, FR Doc. 2026-19071 (September 17, 2026).

[2] Georgia Power, "Georgia PSC approves plan to deliver savings for electric customers, meet energy demands of a growing state" (December 19, 2025); Georgia Power, "Georgia Power requests certification of approximately 9,900 MW of new resources" (July 31, 2025).

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Introduction

Dominion Energy South Carolina's ("DESC") 2026 Integrated Resource Plan ("IRP") proposes to retire the Wateree and Williams coal-fired power stations at the end of 2032 and 2034, respectively, as part of a broader transition toward new natural gas, solar, and battery resources. These retirement dates, however, are not dictated by the physical condition or remaining useful life of the plants. DESC states that both facilities are capable of operating into the mid-2040s, and its own generating-unit table assigns Wateree a probable retirement date of 2045 and Williams a probable retirement date of 2048 based on DESC's currently approved depreciation study, and supplemental cases included in the IRP show that when retirement dates are allowed to optimize economically, the model keeps Williams in service through 2046 and, under higher load, retains both Wateree and Williams into the mid-2040s.[3]

The proposed merger of Dominion Energy and NextEra Energy[4] makes the value of that remaining operating life particularly relevant. If completed, the transaction would place Wateree and Williams under new ownership at a time when the plants remain capable of continued operation, and DESC's own planning analysis identifies circumstances in which retaining them provides economic and reliability benefits. NextEra, principally through Florida Power & Light ("FPL"), has previously reduced or eliminated coal exposure after gaining ownership or contractual control of coal assets, including Cedar Bay, Indiantown, Plant Scherer Unit 4, and Plant Crist. That record does not establish what NextEra would do with Wateree or Williams, but it makes the future treatment of these units an important consideration in evaluating the transaction.

This report therefore uses DESC's 2026 IRP as the principal evidence base for evaluating the value of preserving Wateree and Williams as operating resources. The IRP provides a particularly useful benchmark because it tests the units under different load, regulatory, fuel-price, and retirement assumptions and quantifies the resulting customer-cost, resource-adequacy, and replacement-capacity impacts.

Under the Reference Market Scenario, the optimized-retirement case delays Williams' retirement by twelve years while ultimately adding the same 5,344 MW of new generating capacity as the preferred plan. By keeping existing firm capacity available longer, DESC defers the timing of replacement resources and reduces the annualized net present value cost to customers by 1.9%.[5] The same case results in a projected 2040 retail rate of $0.1841/kWh compared with $0.1966/kWh under the preferred plan.[6] **DESC's analysis therefore indicates that retaining Williams longer can preserve required reliability while postponing replacement investment and lowering customer costs.**

Continued operation also provides flexibility as DESC's system undergoes substantial change. The utility is preparing for continued load growth, constructing the 1,098-MW DESC share of the Canadys combined-cycle station, and undertaking the pipeline and transmission infrastructure needed to support that replacement capacity.[7] Williams also accounts for approximately 80% of DESC's generating capacity in the Charleston area, making its retirement dependent on Canadys and associated transmission upgrades being completed and placed in service.[8] Those dependencies increase the value of retaining existing dispatchable capacity while replacement projects and future demand remain uncertain.

This report therefore does not argue that coal generation should remain in service regardless of economics or system need. Instead, the analysis draws on DESC's own planning record to identify the economic, reliability, fuel-security, and system-flexibility benefits of continued operation of Wateree and Williams. Establishing those benefits provides a factual

[3] Dominion Energy South Carolina's 2026 Integrated Resource Plan, Pages 8, 58-60
[4] Dominion Energy and NextEra Energy File to Combine, Dominion Energy News Release
[5] Dominion Energy South Carolina's 2026 Integrated Resource Plan, Page 58
[6] Dominion Energy South Carolina's 2026 Integrated Resource Plan, Appendix G, Pages 116-117
[7] Dominion Energy South Carolina's 2026 Integrated Resource Plan, Pages 17-18
[8] Dominion Energy South Carolina's 2026 Integrated Resource Plan, Pages 8, 19

benchmark against which any future decision to accelerate the retirement of either unit following a change in ownership can be evaluated.

DESC's Coal Units

Wateree Station ("Wateree"), in Eastover, Richland County, comprises two coal-fired units of 342 MW each, placed in service in September 1970 and December 1971. Arthur M. Williams Station ("Williams"), in Goose Creek, Berkeley County, is a single 605 MW unit placed in service in July 1973 and owned by South Carolina Generating Company ("GENCO"), which sells its full capacity and output to DESC under a Unit Power Sales Agreement approved by the Federal Energy Regulatory Commission. In 2025, the three units generated 1,438.3 GWh, 955.1 GWh, and 2,447.0 GWh, respectively, at capacity factors of 48%, 32%, and 46%, consuming approximately 2.06 million tons of coal. Deliveries were drawn predominantly from Central Appalachia, with a smaller Northern Appalachian component at Wateree.

EXHIBIT 1: 2025 OPERATING STATISTICS FOR WATEREE, WILLIAMS & COPE

	Wateree 1	Wateree 2	Williams	Cope
Online Date	Sep-70	Dec-71	Jul-73	Jan-96
Capacity (MW)	342.0	342.0	605.0	415.0
Generation (GWh)	1,438.3	955.1	2,447.0	1,740.6*
Capacity Factor (%)	48%	32%	46%	48%
Coal Consumption ('000 tons)	613.3	412.0	1,035.1	162.9
Coal Deliveries ('00 tons)				
CAPP	620.3	411.9	1,140.8	277.9
NAPP	86.1	57.2	-	-
Total	**706.4**	**469.1**	**1,140.8**	**277.9**

Source: EVA analysis of EIA-reported data | 77% of Cope's generation in 2025 came from natural gas.

DESC also operates Cope Station, a 415 MW coal-fired unit in Orangeburg County placed in service in 1996 and capable of operating on 100% natural gas as an alternative fuel (77% of Cope's generation in 2025 came from natural gas). Cope carries a probable retirement date of 2071 in the IRP and is not proposed for retirement in any build plan. Cope accounts for the residual coal capacity that remains on DESC's system after 2034 under the preferred plan, although it is run almost exclusively on pipeline natural gas.

The three stations also carry a local economic footprint relevant to any change in operating life. As reported in the 2025 FERC Form 1 filings of DESC and GENCO, Wateree and Williams employed an average of 90 and 70 people, respectively, in 2025, with a further 63 at Cope. Property tax data are not uniformly published. Williams is reported separately because GENCO files its own FERC Form 1, and the property tax recorded in GENCO's 2025 Form 1 is $5,837,454. For Cope, a 2021 press account put the annual tax bill at approximately $9 million, a figure that has likely changed since. Comparable published figures for Wateree are not available but are likely similar to the ones stated for Cope and Williams.

A Change in Ownership Bears on the Retirement Schedule

DESC's current retirement schedule is a planning assumption, not a self-executing outcome. Whether Wateree and Williams actually retire on the dates identified in the 2026 IRP will depend in part on future ownership decisions, capital allocation, and resource strategy. That consideration is particularly relevant in light of the proposed NextEra-Dominion transaction, which would place DESC's generating fleet under new ownership. The companies announced the transaction on May 18, 2026, and filed applications for approval on July 15, 2026, with the Public Service Commission of South Carolina, the North Carolina Utilities Commission, the Virginia State Corporation Commission, the Federal Energy Regulatory Commission, and the Nuclear Regulatory Commission. The companies state that closing is expected in the second half of 2027. In South Carolina, the Commission has adopted a procedural schedule providing for public night

hearings on November 5, November 12, and November 17, 2026, a merits hearing beginning December 8, 2026, and a final order by January 29, 2027. The merger agreement conditions closing on receipt of the required state and federal approvals without the imposition of a "burdensome condition," as that term is defined in the agreement.[9]

NextEra, principally through Florida Power & Light ("FPL"), has repeatedly acted to reduce or eliminate its coal exposure after gaining ownership or contractual control of coal assets. In 2015, FPL acquired the 250-MW Cedar Bay coal plant, with which it had a long-term power purchase agreement, in order to terminate the contract and retire the facility. FPL sharply reduced output following the acquisition and permanently retired the plant at the end of 2016.[10]

FPL took a similar approach at Indiantown Cogeneration. FPL petitioned to acquire the 330-MW coal facility in 2016 specifically for the purpose of shutting it down, completed the acquisition in 2017, and ultimately retired the plant at the end of 2020.[11] NextEra has also moved coal off its system through other mechanisms. At Plant Scherer Unit 4, FPL announced plans to retire its majority ownership share, prompting arrangements to replace the remaining JEA share with alternative generation before the unit closed in January 2022.[12] After NextEra's acquisition of Gulf Power in 2019, the company also began converting Plant Crist from coal to natural gas, eliminating coal use at the facility in 2020.[13]

EXHIBIT 2: NEXTERA COAL-PLANT OWNERSHIP CHANGE AND EXIT PRECEDENTS

Asset	Ownership / contractual position	Action taken	Coal exit
Cedar Bay, FL	Acquired plant through long-term PPA	Purchased asset to terminate PPA and retire plant	2016
Indiantown, FL	Acquired plant through long-term PPA	Acquired plant for shutdown	2020
Scherer Unit 4, GA	Majority ownership	Announced exit and replaced co-owner share through PPA arrangement	2022
Plant Crist, FL	Acquired through Gulf Power	Converted coal units to natural gas	2020

These examples are not indicative of how NextEra would treat Wateree or Williams. They do, however, demonstrate that changes in ownership have previously resulted in changes to the timing or form of coal operations within NextEra's portfolio. Against that background, the remainder of this report uses DESC's own 2026 IRP to assess what could be lost if Wateree or Williams were retired earlier than system economics and reliability requirements support.

[9] NextEra Energy / Dominion Energy joint press release, "NextEra Energy and Dominion Energy to Combine…" (May 18, 2026)
[10] FPL announces innovative plan to acquire and phase out coal-fired power plant
[11] FPL announces plans to buy and phase out another coal-fired power plant
[12] JEA Reducing Carbon Emissions with Closure of Plant Scherer Coal-fired Unit
[13] FPL ends coal-fired power generation in Florida

DESC's 2026 Integrated Resource Plan

DESC's 2026 Integrated Resource Plan evaluates a broad range of resource-development pathways intended to meet future load while maintaining reliability under different market, regulatory, and demand conditions. The IRP includes 14 build plans evaluated across eight market scenarios, resulting in 26 individual cases. These cases test how DESC's resource needs change under varying assumptions for fuel prices, carbon regulation, load growth, demand-side management, and coal-unit retirement timing.[14]

A Note on the IRP's Terminology

This report uses DESC's own case names so that its findings can be checked directly against the IRP. Those names are not self-explanatory, and one of them is actively misleading on first reading.

- A **Market Scenario** is a set of external assumptions the utility does not control: fuel prices, the cost of CO_2 emissions, load growth, and the state of federal environmental regulation. The IRP uses eight. The Reference Market Scenario is DESC's view of the most likely combination of those conditions.
- A **Build Plan** is the portfolio of resources the model selects to serve load under a given set of assumptions: what gets built, how much, and in what year. The IRP evaluates 14. The 2026 Reference Build Plan is the one DESC selected as its preferred plan and the one it proposes to act on.
- A **Case** is one build plan run under one market scenario. The IRP presents 26, grouped as nine Core Cases, nine Alternative Core Cases, five Sensitivity Cases, and three Supplemental Cases.
- **Optimized Retirements** does not mean retiring the units earlier. In the preferred plan, DESC fixes the Wateree and Williams retirement dates in advance, and the model builds around them. In the two Optimized Retirements cases, that constraint is removed, and the model is allowed to select whatever retirement dates produce the lowest cost. When given that freedom, the model chose later dates, not earlier ones: 2046 for Williams under reference load, and 2044 for Wateree and 2046 for Williams under high load. "Optimized" refers to the model choosing the dates, and the dates it chose extend coal operation.
- **These two Optimized Retirements cases were not volunteered by DESC**. The South Carolina Office of Regulatory Staff requested them, and the Commission required them in Order No. 2025-660.

The IRP is built around three broad groups of cases. The Core Cases evaluate three primary build plans under three market scenarios and assume federal greenhouse-gas regulations are repealed. The Alternative Core Cases test the same general resource strategies under an assumption that the federal GHG rules remain in place. DESC also develops a series of sensitivity and supplemental cases to test specific planning uncertainties, including near-term load growth, energy conservation, more aggressive regulation, changes in demand-side management, deeper decarbonization, and alternative retirement timing for Wateree and Williams.[15]

The four cases most relevant to this analysis are placed towards the top of the table below. The preferred 2026 Reference Build Plan and the Optimized Retirements–Reference case share the same reference-load and market assumptions, so they are directly comparable and isolate the effect of retirement timing.[16] The Near-Term Load Growth and Optimized Retirements–High Load cases are paired to show how the model responds to demand outcomes above the reference forecast.[17]

[14] Dominion Energy South Carolina's 2026 Integrated Resource Plan, Pages 10,42-45
[15] Dominion Energy South Carolina's 2026 Integrated Resource Plan, Pages 10, 58-60
[16] Dominion Energy South Carolina's 2026 Integrated Resource Plan, Pages 43, 58, 73
[17] Dominion Energy South Carolina's 2026 Integrated Resource Plan, Pages 10, 60

EXHIBIT 3: DESC 2026 IRP RETIREMENT TIMING FOR WATEREE AND WILLIAMS ACROSS BUILD CASES

Case	Fuel	CO_2	Load	Wateree	Williams
2026 Reference Build Plan	**Med**	**Low**	**Reference**	**2032**	**2034**
Optimized Retirements – Reference	**Med**	**Low**	**Reference**	**2032**	**2046**
Optimized Retirements – High Load	**Med**	**Low**	**High**	**2044**	**2046**
Near-Term Load Growth	**Low**	**Low**	**High**	**2034**	**2034**
High Fossil Fuel Prices Build Plan	*Med*	*Low*	*Reference*	*2032*	*2034*
Medium Carbon Cost Build Plan	*Med*	*Low*	*Reference*	*2032*	*2034*
2026 Reference Build Plan	*High*	*Low*	*Reference*	*2032*	*2034*
High Fossil Fuel Prices Build	*High*	*Low*	*Reference*	*2032*	*2034*
Medium Carbon Cost Build Plan	*High*	*Low*	*Reference*	*2032*	*2034*
2026 Reference Build Plan	*Med*	*Med*	*Reference*	*2032*	*2034*
High Fossil Fuel Prices Build Plan	*Med*	*Med*	*Reference*	*2032*	*2034*
Medium Carbon Cost Build Plan	*Med*	*Med*	*Reference*	*2032*	*2034*
Energy Conservation Build Plan	*High*	*Med*	*Low*	*2032*	*2034*
Aggressive Regulation Build Plan	*High*	*High*	*High*	*2034*	*2034*
High Demand Side Management Build Plan	*Med*	*Low*	*Reference*	*2032*	*2034*
Low Demand Side Management Build Plan	*Med*	*Low*	*Reference*	*2032*	*2034*
Deep Decarbonization Build Plan	*Med*	*Low*	*Reference*	*2032*	*2034*
GHG Reference Build Plan	*Med*	*Low*	*Reference*	*2032*	*2032*
GHG High Fossil Build Plan	*Med*	*Low*	*Reference*	*2032*	*2032*
GHG Medium Carbon Build Plan	*Med*	*Low*	*Reference*	*2032*	*2032*
GHG Reference Build Plan	*High*	*Low*	*Reference*	*2032*	*2032*
GHG High Fossil Build Plan	*High*	*Low*	*Reference*	*2032*	*2032*
GHG Medium Carbon Build Plan	*High*	*Low*	*Reference*	*2032*	*2032*
GHG Reference Build Plan	*Med*	*Med*	*Reference*	*2032*	*2032*
GHG High Fossil Build Plan	*Med*	*Med*	*Reference*	*2032*	*2032*
GHG Medium Carbon Build Plan	*Med*	*Med*	*Reference*	*2032*	*2032*

Under DESC's preferred 2026 Reference Build Plan, Wateree is retired at the end of 2032 and Williams at the end of 2034. These retirement dates are reflected in the majority of the core and sensitivity cases evaluated. However, certain alternative pathways produce materially different results. Cases that assume continued federal GHG regulation result in the retirement of both units by 2032, whereas the two optimized-retirement supplemental cases reflect substantially extended operation. Under the reference load case, Williams remains in service through 2046; under the high load case, Wateree remains in service through 2044 and Williams through 2046.

The Preferred Retirement Dates Are Not the Least-Cost Outcome in DESC's Own Modeling

The retirement dates in DESC's preferred plan are not the result of an unconstrained economic optimization. In the 2026 Reference Build Plan, Wateree is assumed to retire at the end of 2032 and Williams at the end of 2034. By contrast, two supplemental cases allow the model to determine the economically optimal retirement dates for the two plants rather than impose the preferred-plan schedule. These cases were not volunteered by DESC. They were requested by the South

Carolina Office of Regulatory Staff and required by the Commission in Order No. 2025-660, which directed DESC to perform an optimal retirement analysis of the Wateree and Williams units. In both cases, the model extends coal operation.

The clearest comparison is the Optimized Retirements–Reference case because it is evaluated under the same Reference Market Scenario and reference-load assumptions as DESC's preferred plan. Wateree still retires at the end of 2032, but Williams remains in service through the end of 2046, twelve years longer than under the preferred plan and through what DESC identifies as the unit's current estimated useful life. Importantly, the optimized case ultimately builds the same 5,344 MW (of which 2,044 MW is natural gas and 3,300 MW is solar, battery, and hybrid) of replacement capacity as the preferred plan. **The difference is not what DESC builds over the planning horizon, but when it needs replacement resources.**

Why DESC Nonetheless Selected the Preferred Plan

The obvious question is why DESC selected the 2026 Reference Build Plan if the optimized case produces a lower cost under the same assumptions. DESC does not claim that the preferred plan is the least-cost plan. It states that the 2026 Reference Build Plan reflects the most likely market scenario and is resilient across all twenty-six cases. DESC also states that in the initial years of the study period the resources added under the preferred plan are sufficiently comparable to those added under the other thirteen build plans to allow DESC to pivot to an alternative plan at any time during which the 2026 IRP is in effect.[18]

That reasoning is significant in two respects. First, resilience across scenarios and least-cost performance under the reference scenario are different tests, and DESC applied the former. The preferred plan's retirement dates therefore do not carry a finding that earlier retirement is the economically superior outcome under reference conditions. Second, DESC expressly preserves the ability to change course. The IRP states that in all cases the retirement of these units depends on DESC having sufficient generation to serve actual and forecasted load at the time the retirement decision is made, and that DESC will continue to evaluate the appropriate retirement date as conditions on its system evolve. DESC further acknowledges that its current plan retires both facilities before the end of their forecasted useful lives.

On DESC's own account, therefore, the 2032 and 2034 dates are planning assumptions that DESC treats as revisable rather than findings that earlier retirement serves customers better.

[18] Dominion Energy South Carolina's 2026 Integrated Resource Plan, Page 6.

EXHIBIT 4: DESC 2026 IRP REFERENCE PLAN VS. OPTIMIZED RETIREMENTS–REFERENCE CASE

Metric	2026 Reference Build Plan	Optimized Retirements – Reference	Comparison
Wateree retirement	2032	2032	Same
Williams retirement	2034	2046	Deferred 12 years
Total new gas capacity	2,044 MW	2,044 MW	Identical build; 946 MW of CTs deferred to 2047
Canadys combined cycle — 1,098 MW	2033	2033	Same
Advanced-class Frame CT — 466 MW	2040	2047	Deferred 7 years
Large Frame CTs — 480 MW	2045	2047	Deferred 2 years
Annualized NPV cost	Baseline	**1.9% lower**	Lower-cost outcome
2040 retail rate	$0.1966/kWh	**$0.1841/kWh**	6.4% lower
Key implication	Preferred schedule	Williams retained to useful life at lower cost	Same long-term build, but later replacement need

That timing change produces a lower-cost outcome. DESC's appendix figures show a 30-year levelized NPV of costs of $2,389.1 million under the preferred plan against $2,349.6 million under the optimized case, a reduction of $39.4 million to customers. DESC characterizes the same comparison as 1.9% in its narrative and as 1.7% in its summary table; this report cites the dollar figures throughout because they are drawn directly from the IRP's own appendix and are not subject to that discrepancy. The underlying build tables show the principal mechanism: both cases add 946 MW of frame combustion turbines, but the preferred plan adds them in 2040 and 2045, while the optimized case defers the full 946 MW until 2047. Keeping Williams available longer therefore postpones replacement capital without changing the ultimate resource mix or reducing the required reserve margin. The rate analysis reinforces the same conclusion. Under the Reference Market Scenario, the optimized-retirement case produces a projected 2040 retail rate of $0.1841/kWh, compared with $0.1966/kWh under the preferred plan, making it the lowest 2040 retail-rate outcome among the plans DESC presents within that scenario.

EXHIBIT 5: CAPACITY ADDITIONS AND COAL RETIREMENTS, REFERENCE VS. OPTIMIZED-REFERENCE (2026–2050)

	2026 Reference Build Plan			Optimized Retirements - Reference Build		
	Gas Capacity Additions	Renewable Capacity Additions*	Coal Retirements	Gas Capacity Additions	Renewable Capacity Additions*	Coal Retirements
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	100	-	-	100	-
2032	-	100	-	-	100	-
2033	1,098	-	(684)	1,098	-	(684)
2034	-	100	-	-	-	-
2035	-	300	(600)	-	-	-
2036	-	100	-	-	-	-
2037	-	-	-	-	-	-
2038	-	100	-	-	-	-
2039	-	100	-	-	-	-
2040	466	-	-	-	200	-
2041	-	-	-	-	100	-
2042	-	300	-	-	300	-
2043	-	100	-	-	400	-
2044	-	300	-	-	300	-
2045	480	300	-	-	400	-
2046	-	300	-	-	300	-
2047	-	300	-	946	300	(600)
2048	-	300	-	-	300	-
2049	-	300	-	-	300	-
2050	-	200	-	-	200	-
Total	**2,044**	**3,300**	**(1,284)**	**2,044**	**3,300**	**(1,284)**

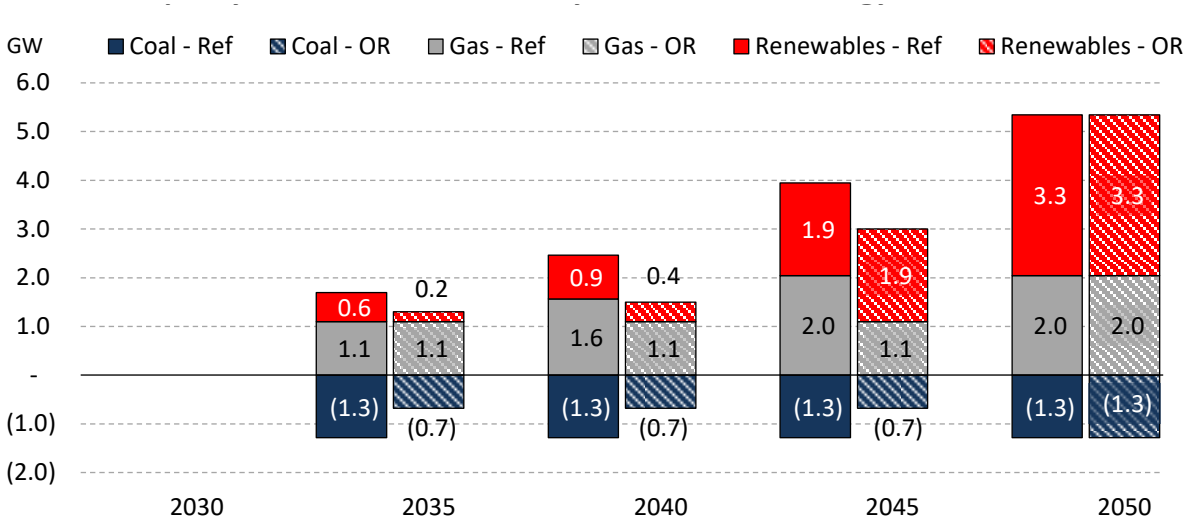
* Renewable Capacity Additions Breakdown: Solar – 2,400 MW, Battery – 300 MW, Hybrid (soolar+battery) – 600 MW

The Optimized Retirements – Reference Build case does not reduce the total amount of new capacity DESC builds through 2050; it defers it. Through 2040, the Reference Build Plan brings online roughly 900 MW of renewable capacity and 1,564 MW of gas capacity, compared with about 400 MW of renewable capacity and 1,098 MW of gas under Optimized Retirements over the same period. Both cases add Canadys in 2033, so the gas difference through 2040 is the 466 MW advanced-class frame CT that the Reference plan adds in 2040 and the optimized case does not. By 2050 both cases converge on the same totals: 3,300 MW of renewable capacity and 2,044 MW of gas capacity. Retaining Williams therefore does not shrink the system's ultimate buildout. It moves roughly 500 MW of renewable capacity out of the 2030s and shifts the full 946 MW of frame CT capacity from 2040 and 2045 into 2047.

One convention should be noted when reading the exhibit above against the retirement dates used elsewhere in this report. DESC follows the standard generation-planning convention that an addition or retirement is recognized in the year following the event, so a retirement occurring at the end of 2032 appears in the 2033 row. The retirement years shown in

the capacity tables are therefore one year later than the retirement dates cited in the text and in the comparison exhibits, which reflect the actual retirement dates. The 684 MW retirement is Wateree and the 600 MW retirement is Williams.

EXHIBIT 6: CUMULATIVE CAPACITY ADDITIONS/RETIREMENTS BY SCENARIO & TECHNOLOGY



Source: DESC 2026 IRP | Ref - reference build plan, OR - optimized retirement reference build plan

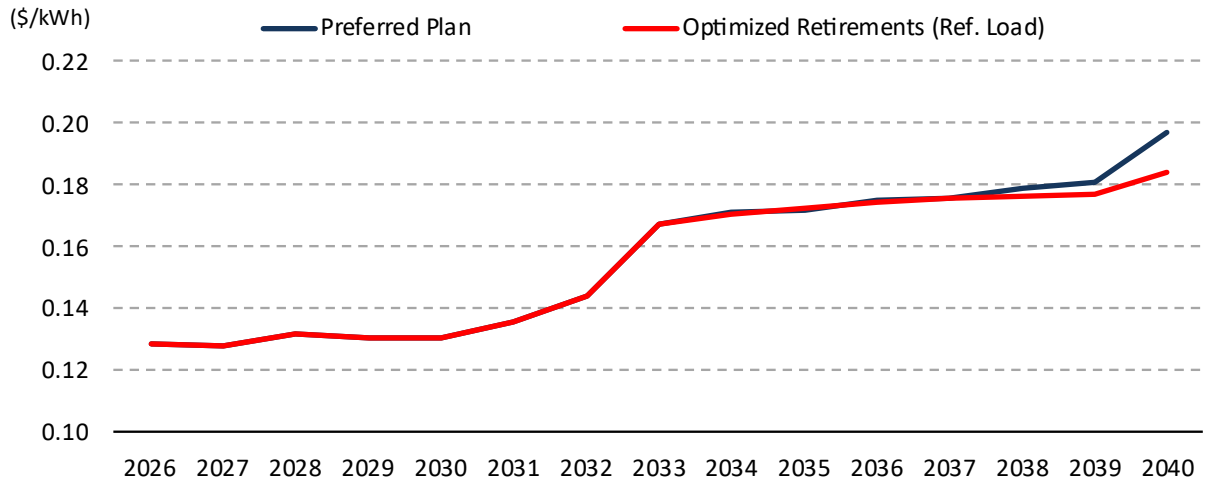
The second optimized case shows that the value of continued operation increases as system needs rise. Under the Optimized Retirements-High Load case, the model retains Wateree through 2044 and Williams through 2046, explicitly delaying both replacement resources and resources otherwise needed to serve the higher forecast load. Because the high-load case is based on a different demand outlook, its absolute costs should not be compared directly with the Reference cases. It is nevertheless directionally important - when DESC's model faces greater capacity need, it chooses to retain both existing coal units substantially longer.

DESC's own modeling therefore does not establish the preferred 2032/2034 retirement schedule as the least-cost outcome. Under the same reference assumptions used for the preferred plan, the model retains Williams for twelve additional years and lowers customer costs. When load is higher, the model extends both Wateree and Williams into the mid-2040s.

Optimized Retirement Timing Lowers Projected Retail Rates

The cost advantage of the optimized retirement case also shows up directly in DESC's projected retail rates. Under the Reference Market Scenario, DESC projects a 2040 retail rate of $0.1966/kWh under the preferred 2026 Reference Build Plan, compared with $0.1841/kWh under the Optimized Retirements-Reference case, a difference of approximately 6.4%. The optimized case produces the lowest 2040 retail rate among the build plans DESC evaluates under the Reference Market Scenario. Expressed as a customer bill, DESC projects a typical 2040 residential bill at 1,000 kWh per month of $248.37 under the preferred plan against $230.18 under the optimized-retirement case, a difference of approximately $18 per month or roughly $218 per year.

EXHIBIT 7: DESC 2026 IRP RETAIL-RATE IMPACT - PREFERRED PLAN VS. OPTIMIZED RETIREMENTS (REF. LOAD)



Source: DESC 2026IRP

The difference matters because both plans ultimately add the same 5,344 MW of capacity and the same quantities of solar, battery, hybrid, and frame-combustion-turbine capacity. The key difference is investment timing. Under the preferred plan, Williams retires in 2034, and DESC must begin replacing its firm capacity earlier, including 466 MW of frame CT capacity in 2040 and another 480 MW in 2045. When Williams is retained through 2046, all 946 MW of that frame-CT capacity is deferred until 2047.

That timing difference matters for retail rates because new generation entering service becomes part of the utility's revenue requirement and must be recovered from customers through rates. The preferred retirement schedule therefore brings replacement capital into customer rates earlier, while continued operation of Williams postpones those costs. DESC itself attributes the optimized case's lower annualized NPV to shifting the timing of Williams replacement resources and other battery and solar/hybrid additions.

Regulatory Basis for Early Coal Retirement Has Materially Weakened

A central reason for considering accelerated coal retirement in recent resource planning has been the expectation that increasingly stringent federal greenhouse-gas requirements would make continued operation of existing coal units progressively more difficult or costly. DESC's 2026 IRP explicitly reflects that uncertainty. Its nine Core Cases assume repeal of the federal greenhouse-gas rules and generally retire Wateree in 2032 and Williams in 2034, while the nine Alternative Core Cases assume the GHG rules remain in place and retire both units by the end of 2032. Across all 26 cases, 17 exclude the 2024 GHG rule and nine retain it. Of the 17 that exclude it, 12 also carry no cost for CO2 emissions of any kind, while five apply a medium or high CO2 cost. DESC therefore did model the outcome in which neither the federal rule nor any carbon price applies, and that is the assumption set underlying its preferred plan. The distribution matters for reading the retirement dates: the 2032 outcome for Williams appears in the cases that retain the 2024 rule, not in the cases that assume it is repealed.[19]

That regulatory distinction has become materially less relevant following EPA's September 14, 2026, action. EPA finalized a partial repeal of the 2024 Carbon Pollution Standards, including most of the requirements affecting existing fossil-fueled generators, and simultaneously proposed rescinding the remaining greenhouse-gas standards for fossil-fueled power plants under Clean Air Act Section 111. If the supplemental proposal is finalized, it would also remove the remaining

[19] Dominion Energy South Carolina's 2026 Integrated Resource Plan, Pages 42-45

federal GHG standards applicable to the power sector.[20] The significance for Wateree and Williams is not that the units are now expected to operate at higher output or face no environmental obligations. Rather, one of the principal regulatory pathways that could have compelled or economically reinforced an earlier retirement has substantially receded. The 2024 GHG framework contemplated compliance requirements that were directly relevant to whether existing coal units could continue operating beyond specified dates. EPA's September 2026 action removes most of that framework and begins the process of removing the remainder. The final partial repeal was published in the Federal Register on September 17, 2026, and takes effect on November 16, 2026.

The durability of that change is not settled. A coalition of environmental and public health organizations filed a petition for review in the U.S. Court of Appeals for the District of Columbia Circuit on the day the repeal was signed, and the supplemental proposal to rescind the remaining Section 111 standards has not been finalized. A subsequent administration could also revisit the rules. The relevant observation for planning purposes is therefore narrower than a claim that federal greenhouse-gas regulation of existing coal units has ended. It is that the regulatory pathway that would have compelled retirement by 2032 is not currently in force, and that the range of plausible federal outcomes over a twenty-year planning horizon is wide in both directions. A retirement decision is irreversible; a regulatory condition is not. That asymmetry is what makes the timing of a retirement commitment consequential.

The same direction of travel is evident in other federal power-plant regulations. Earlier in 2026, EPA finalized repeal of the 2024 MATS amendments, removing the more stringent filterable particulate-matter standard for coal-fired units, the tighter mercury limit for lignite units, and the new PM continuous-monitoring requirement, while leaving the underlying MATS program in place.[21] For the two coal plants in question, the practical implication is that the federal regulatory case for locking in accelerated retirement has weakened considerably. DESC's own IRP demonstrates the importance of that assumption: when the GHG rules are retained, Williams is pulled forward to 2032; when repeal is assumed, later operation remains available, and the optimized-retirement cases extend Williams to 2046 and, under high load, Wateree to 2044. The regulatory environment has therefore moved closer to the assumptions under which continued operation remains feasible rather than toward the conditions that would have forced earlier exit.

Effluent Limitations Guidelines Compliance

One category of federal requirement deserves separate treatment because it bears directly on the 2034 date and on capital already committed to these units. DESC reports that it has implemented system upgrades at both Wateree and Williams to comply with the 2020 Effluent Limitations Guidelines rule, and that those upgrades were placed in service at the end of 2025 as the rule required. That capital has been spent. Retirement in 2032 and 2034 would recover that investment over a materially shorter period than the mid-2040s operating lives DESC identifies as available.

The 2024 revision to the ELG rule created a second consideration that bears directly on the 2034 date. The rule requires facilities to eliminate most discharges by the end of 2029, or alternatively permits a facility to submit a Notice of Planned Participation ("NOPP") electing the subcategory for units that permanently cease coal combustion by December 31, 2034, in which case no upgrades beyond the 2020 rule are required. DESC elected that path for Wateree and Williams. The 2034 Williams retirement date in the preferred plan therefore aligns with an ELG compliance election rather than resting on economics alone.

That election is not irreversible. EPA's Deadline Extensions Rule, signed December 23, 2025, and published December 31, 2025, extended the NOPP submission deadline and added provisions allowing facilities to transfer into and out of the permanent-cessation subcategory at any time until December 31, 2034. The rule's new compliance deadline was also delayed until December 31, 2034, to align with the retirement subcategory. A unit that elected the 2034 cessation

[20] EPA Finalizes Repeal of 2024 Power Plant Regulations

[21] Analysis of the Final Repeal of the Mercury and Air Toxics Standards Amendments

subcategory may therefore switch to the zero-discharge compliance pathway and continue operating, provided it meets the applicable discharge limitations.

The practical consequence is a decision point rather than a deadline. Continued operation of Williams beyond 2034, as the optimized-retirement case contemplates, would require the owner to transfer out of the cessation subcategory and comply with the then-applicable compliance requirements instead. That is an affirmative choice with an associated cost, and it is a choice that remains available to DESC or to a successor owner through the end of 2034. It is also a choice that a party evaluating the transaction may wish to understand, because the decision would fall to whichever entity owns the units at that time.

Environmental compliance costs and other federal and state obligations remain, and the ultimate economics of continued operation will still depend on plant condition, fuel costs, capital needs, and system requirements. But the policy driver that previously supported an earlier retirement trajectory has materially diminished.

Higher Load Growth Increases the Value of Existing Firm Capacity

DESC's 2026 IRP identifies meaningful uncertainty around future load growth. By 2045, the high-load forecast is 1,011 MW above the reference case, and DESC notes that the high case incorporates economic-development prospects that are "potential but not yet committed."[22] The utility also reports that approximately 256 MW of economic-development load has already materialized since the 2023 IRP, demonstrating that incremental large-load additions can materially alter resource needs.[23] The optimized-retirement cases show how the model responds when that uncertainty resolves toward higher demand. Under reference load, the model retains Williams through 2046 while Wateree retires in 2032. Under the high-load case, however, it keeps both Wateree and Williams in service into the mid-2040s, retiring Wateree at the end of 2044 and Williams at the end of 2046.[24]

The two forecasts differ in scale but not in shape. DESC is a winter-peaking system, so winter peak demand is what drives capacity need. Under the reference forecast used in the preferred plan, winter peak demand grows at a compound annual rate of 1.4% and energy sales at 1.3% over the twenty-year planning horizon. Under the high load forecast, winter peak demand grows at roughly 2.2% and energy sales at roughly 2.3%. DESC also models a low load case, 626 MW below the reference forecast by 2045.[25]

EXHIBIT 8: DESC 2026 IRP LOAD FORECAST RANGE

Load forecast	2045 Winter Peak (MW)	Peak CAGR 2026–2045	2045 Energy Sales (GWh)	Energy CAGR 2026–2045
Low	5,511	0.8%	27,414	0.8%
Reference (used in preferred plan)	6,137	1.4%	29,826	1.3%
High	**7,148**	**2.2%**	**36,585**	**2.3%**

Source: DESC 2026 IRP, Table 8 and Analysis of Load Growth Rates under Alternative Economic Scenarios. Compound annual growth rates calculated by EVA from the 2026 and 2045 forecast values.

The gap between the two is narrower than those growth rates suggest, and more concrete. The high load forecast is not an assumption of sustained faster growth across two decades. It is the reference forecast plus a discrete block of economic-development load phased in over three years. The two forecasts are identical through 2028. Winter peak

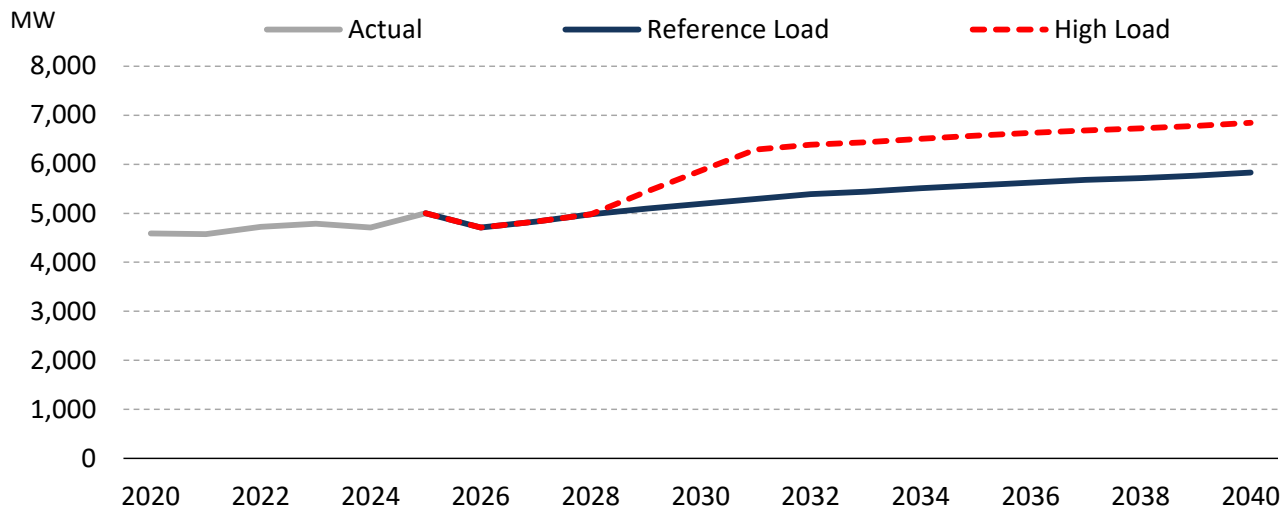
[22] Dominion Energy South Carolina's 2026 Integrated Resource Plan, Page 23
[23] Dominion Energy South Carolina's 2026 Integrated Resource Plan, Page 19
[24] Dominion Energy South Carolina's 2026 Integrated Resource Plan, Page 58
[25] Dominion Energy South Carolina's 2026 Integrated Resource Plan, Pages 35, 37. Compound annual growth rates for the high and low load forecasts calculated by EVA from the reference forecast and the stated 2045 bands.

demand then diverges by 337 MW in 2029, 674 MW in 2030, and 1,011 MW in 2031, after which both forecasts grow by the same annual increments and the gap holds at roughly 1,011 MW through 2045. The question the high load case poses is therefore not whether South Carolina grows faster for twenty years. It is whether approximately 1,011 MW of economic-development load connects to DESC's system in the late 2020s.

DESC characterizes the prospects behind that figure as "potential but not yet committed," which describes an identified pipeline of projects rather than a speculative growth rate. The utility also reports that approximately 256 MW of economic-development load has already been added to its forecast since the 2023 IRP, an addition large enough that DESC abandoned its prior Wateree replacement plan as impractical and coordinated the unit's retirement with a larger combined-cycle resource at Canadys instead. Reaching the high load forecast would require roughly four times that increment over a three-year window.

Nor is the reference forecast an optimistic benchmark against recent experience. DESC's reported annual system peak rose from 4,586 MW in 2020 to 5,000 MW in 2025, a compound annual rate of approximately 1.7%. The reference forecast assumes 1.4% winter peak growth over the planning horizon, so the plan DESC has selected is built on demand growth slower than the utility has actually recorded over the last five years.

EXHIBIT 9: DESC ACTUAL AND FORECASTED WINTER PEAK DEMAND BY LOAD GROWTH SCENARIO



Source: DESC FERC Form 1 filings & DESC 2026 IRP

This distinction matters most for Wateree. Under reference-load conditions, DESC's model retires Wateree at the end of 2032 even when retirement timing is optimized. The case for continued Wateree operation therefore rests on whether load materializes above the reference forecast rather than at it. Several elements of the record bear on that question. DESC reports that approximately 256 MW of economic-development load has already been added to its forecast since the 2023 IRP, and that this addition was large enough to render the prior Wateree replacement plan impractical and to justify coordinating Wateree's retirement with a larger combined-cycle resource at Canadys. The high-load forecast is built on economic-development prospects DESC characterizes as potential but not yet committed, which is to say prospects of the same kind that have already converted once within a single IRP cycle.

The General Assembly reached a related conclusion in the South Carolina Energy Security Act, Act 41 of 2025, adopted with bipartisan supermajorities in response to warnings from the South Carolina Department of Commerce, the Office of Regulatory Staff, and others that, absent new generation, the reliability of the grid and the State's ability to sustain economic development would be compromised. Act 41 records the legislative finding that sufficient, reliable, safe, and

economical energy is central to the health, safety, and well-being of South Carolina's citizens and to the State's economic development and prosperity.

Regulators in an adjoining state have already reached the same conclusion about existing coal capacity under load growth. In the 2025 Integrated Resource Plan cycle, the Georgia Public Service Commission approved Georgia Power's proposal to keep roughly 4,000 MW of coal capacity at Plants Bowen and Scherer in service through 2038. Scherer Unit 3 had been scheduled to retire in 2028 and Bowen in 2035. Georgia Power cited approximately 8,500 MW of load growth over six years, driven largely by data center development, and the Commission paired the extension with a requirement that the utility report quarterly on whether the forecast large loads actually materialize. The relevance here is not that South Carolina should reach the same result, but that the question DESC's optimized cases raise, whether existing coal capacity should be retained while load growth resolves, is one a neighboring commission has already answered in the affirmative on a comparable record.[26]

EXHIBIT 10: DESC 2026 IRP WATEREE AND WILLIAMS RETIREMENT TIMING UNDER HIGH-LOAD CASES

Metric	Near-Term Load Growth Case	Optimized Retirements – High Load
Wateree retirement	2034	**2044**
Williams retirement	2034	**2046**
Retirement treatment	Predetermined retirement dates	Model-optimized retirement dates
Key implication	Higher near-term needs delay Wateree by 2 years	When retirement timing is optimized under high load, both units remain operational into the mid-2040s

The significance is straightforward: the more capacity DESC needs, the more valuable its existing dispatchable fleet becomes. Retaining Wateree and Williams provides firm capacity that can serve incremental load without immediately requiring additional replacement generation, transmission, and fuel infrastructure. That optionality matters most where future demand is uncertain but potentially material. DESC's own modeling therefore indicates that higher load growth does not accelerate the economic retirement of Wateree and Williams; it does the opposite. As system demand increases, the model extends the operating lives of both units, suggesting that committing to fixed early retirement dates reduces DESC's flexibility when future capacity needs remain uncertain.

Earlier Retirement Increases Dependence on Replacement Infrastructure

DESC's preferred retirement schedule assumes that existing coal capacity can be replaced on a relatively fixed timetable. Wateree is retired at the end of 2032 and Williams at the end of 2034, with the retirement sequence tied closely to the planned addition of Canadys Station and the transmission infrastructure needed to support the Charleston area. Williams is particularly important because it represents about 80% of DESC's generating capacity in the Charleston area, and DESC states that retirement will be possible only once Canadys and the necessary transmission facilities are in service.[27] The IRP additionally states that Canadys capacity "will not be sufficient to fully retire Wateree and Williams on a one-for-one basis".[28]

[26] Georgia Power 2025 Integrated Resource Plan, approved by the Georgia Public Service Commission on July 15, 2025.
[27] Executive Summary, Dominion Energy South Carolina's 2026 Integrated Resource Plan, Page 8
[28] Dominion Energy South Carolina's 2026 Integrated Resource Plan, Page 19

The replacement pathway depends on several major projects being completed as planned, and each carries execution risk the IRP acknowledges. Canadys is expected to provide 2,180 MW of combined-cycle capacity, of which DESC's share is 1,098 MW, with the plant modeled to begin service on January 1, 2033. As of the filing, however, DESC had procured only the long-lead equipment (an equipment-reservation agreement and the large power transformers), while the engineering, procurement, and construction (EPC) contractor was still to be selected "later in 2026,"[29] so the project's construction cost and schedule were not yet fixed when the retirement dates were set. The project also relies on a chain of three separate interstate natural gas pipeline expansions, each covered by its own precedent agreement and each requiring its own authorization from the Federal Energy Regulatory Commission under Section 7(c) of the Natural Gas Act. The Mississippi Crossing (MSX) project connects Gulf-area supply to the Transco system near Butler, Alabama. The South System Expansion 4 (SSE4) project carries that gas east to a terminus near the Georgia–South Carolina border. A third expansion, for which DESC executed a precedent agreement in March 2025, completes the route from the SSE4 terminus to the Canadys site. Gas must move through all three links before it reaches the plant. DESC notes that federal approvals for portions of this pipeline infrastructure remain pending before the Federal Energy Regulatory Commission, that their timing is "outside the direct control of DESC, Santee Cooper, and South Carolina policymakers," and that it is "a key scheduling consideration for Canadys Station."[30] DESC further identifies the transmission development associated with Canadys and the retirement of Williams, which depends on the 2024 generation-interconnection (DISIS) cluster study and the subsequent design, siting, and construction of transmission assets, as "one of the principal schedule drivers."[31]

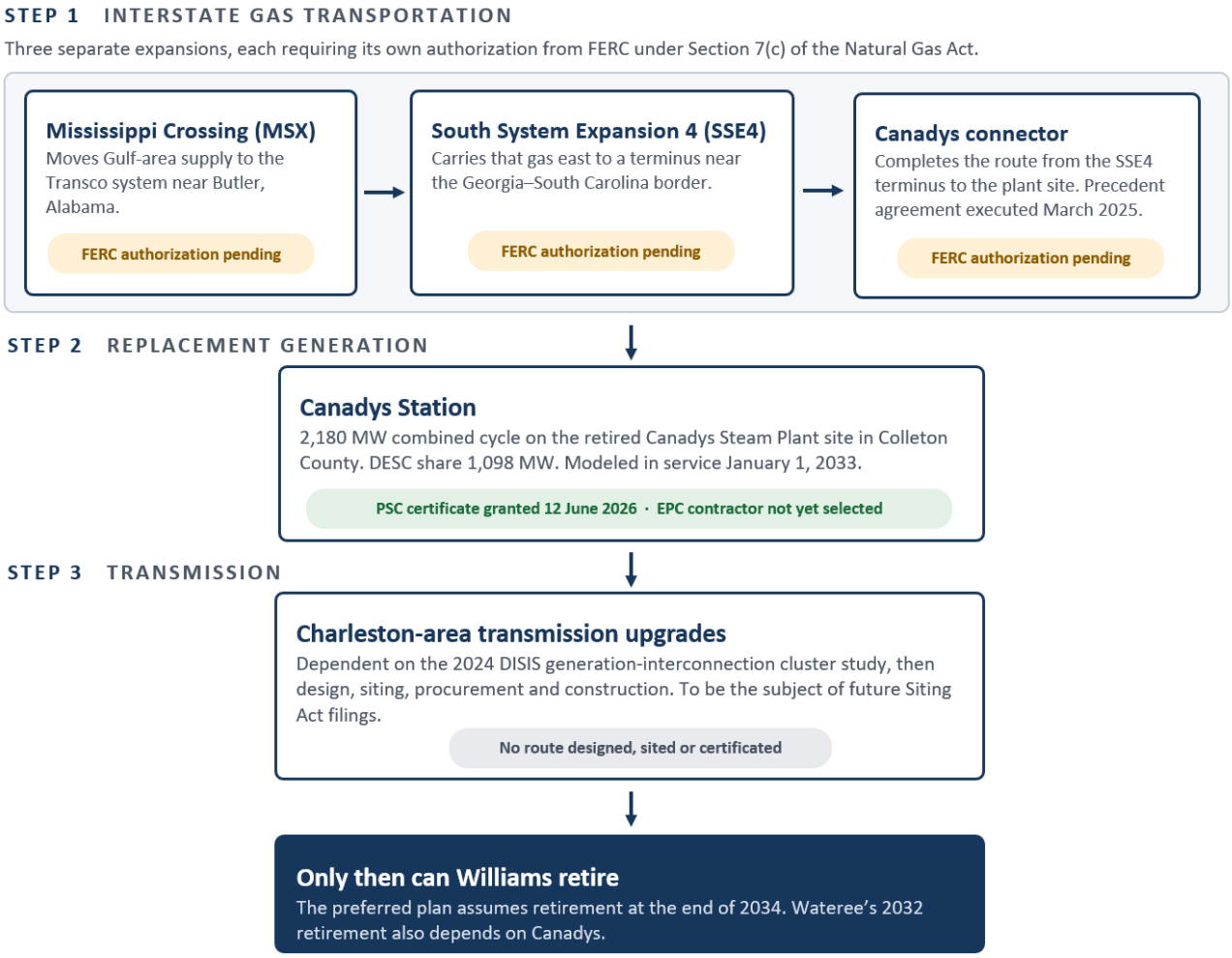
The preferred plan therefore shifts DESC from existing dispatchable capacity toward a replacement pathway whose timing depends on the successful completion of generation, pipeline, and transmission projects. That does not mean the preferred plan fails DESC's reliability criteria: both the preferred and optimized-reference cases maintain the required winter planning reserve margin of at least 20% throughout the planning horizon. The distinction is instead one of how that reliability is maintained. Under the optimized case, Williams remains available through 2046, allowing DESC to meet the same reserve requirement while reducing the amount of replacement capacity that must be placed into service earlier in the planning period.[32]

The transmission component is at an earlier stage still. DESC states that the upgrades needed to integrate Canadys and to maintain Charleston-area reliability after Williams retires depend on the 2024 DISIS cluster study and on subsequent design, siting, procurement, and construction, and that the associated network upgrades will be the subject of future Siting Act filings. No route has been certificated, and none can be mapped from the current record. The schedule on which the Williams retirement depends therefore rests in part on facilities that have not yet been designed.

The sequence below sets out what has to happen, and in what order, before the Williams retirement assumed in the preferred plan can take place. Only one link in the chain has been approved.

[29] Dominion Energy South Carolina's 2026 Integrated Resource Plan, Page 18
[30] Dominion Energy South Carolina's 2026 Integrated Resource Plan, Page 18
[31] Dominion Energy South Carolina's 2026 Integrated Resource Plan, Page 19
[32] Dominion Energy South Carolina's 2026 Integrated Resource Plan, Pages 23, 38, 43, 58

EXHIBIT 11: THE REPLACEMENT PATHWAY FOR WILLIAMS: SEQUENCE AND CURRENT STATUS



Source: EVA, compiled from DESC's 2026 IRP (pages 18–19) and Public Service Commission of South Carolina Order No. 2026-350 (June 12, 2026).

The nature of DESC's system makes that distinction particularly relevant. DESC is a winter-peaking system, with a 20% minimum winter planning reserve margin, and the IRP assigns materially different winter capacity values to different resources. Existing dispatchable generation provides firm capacity during winter peak conditions, while winter solar has an effective load-carrying capability of only 0.5% of nameplate capacity. Retaining Williams therefore preserves a source of firm winter capacity until replacement generation and associated infrastructure are in place, rather than requiring that capacity to be recreated earlier.

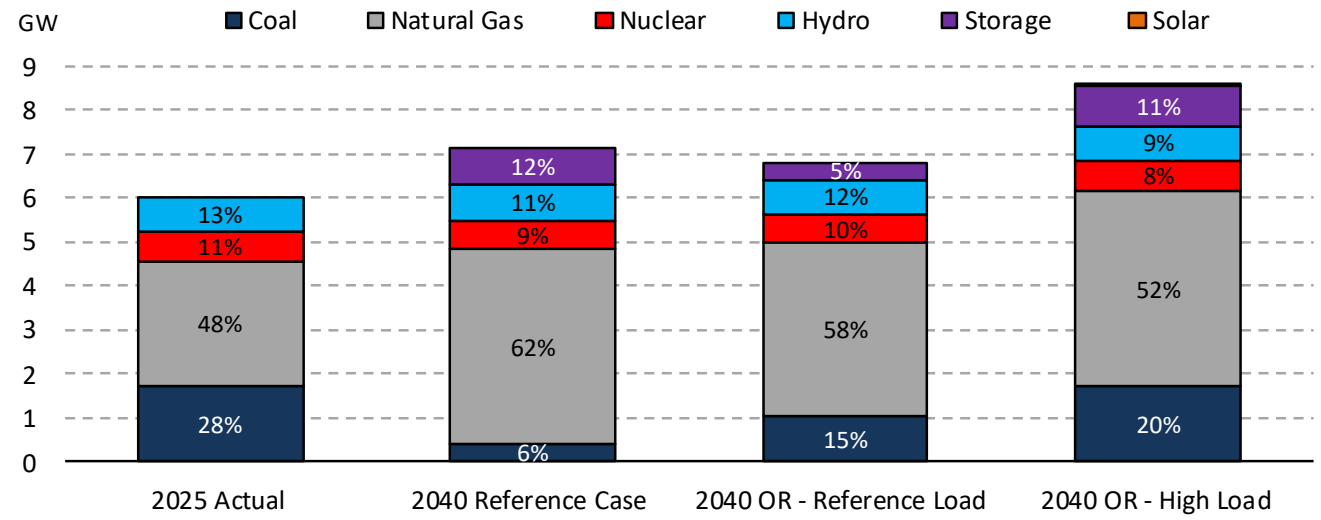
Installed (nameplate) capacity overstates what a resource contributes at the winter peak, which on DESC's system occurs before dawn when solar output is zero. Using the winter capacity-credit assumption values in DESC's 2026 Reserve Margin Study — incremental solar credited at 0.5% of nameplate, four-hour batteries at 94.3%/85.8%/77.1% across successive 400 MW tranches, and conventional units credited near nameplate - the replacement build looks very different on a firm-capacity basis than on a nameplate basis.[33]

The result is a loss of fuel diversity: coal's share of firm winter capacity falls from about 28% in 2025 to about 6% in the 2040 Reference case, the residual reflecting Cope Station, which is not retired in any build plan, replaced almost entirely by natural gas (rising to roughly 62%). The Optimized case retains more diversity — coal near 15% and gas near 58%

[33] Dominion Energy South Carolina's 2026 Integrated Resource Plan, Page 23

because Williams is still in service in 2040. Under the Optimized High-Load plan, where both Wateree and Williams remain online, coal's share holds even closer to today's level at about 20%, with gas at roughly 52%, the most diverse resource mix of the three 2040 cases, despite total system capacity needs running roughly 20% higher than in the Reference case.

EXHIBIT 12: DESC 2026 IRP WINTER PEAK ADJUSTED CAPACITY BY FUEL TYPE, 2025 ACTUAL VERSUS 2040 REFERENCE AND OPTIMIZED RETIREMENTS (OR) CASES



Source: DESC IRP 2026

The issue is therefore not whether DESC can construct a reliable system after Wateree and Williams retire; its IRP demonstrates that it can. The discussion remains whether customers benefit from retiring existing firm capacity before the replacement generation, fuel supply, and transmission infrastructure are required. DESC's optimized case suggests that, at least for Williams, maintaining the existing unit longer preserves reliability while reducing the need to commit replacement capital on the preferred plan's timetable.

Remaining Book Value and Cost Recovery

A further consideration follows from DESC's depreciation treatment. The mid-2040s dates DESC identifies as the end of the units' economically useful lives are drawn from its currently approved depreciation study, which assigns Wateree a probable retirement date of 2045 and Williams a probable retirement date of 2048. Depreciation rates set against those dates recover the units' cost over that period. Retirement in 2032 and 2034 would end operation roughly a decade before the approved recovery period closes.

Early retirement does not eliminate the remaining investment. It changes how and when customers pay for it, and it does so for assets no longer producing energy. The same applies to the environmental compliance capital placed in service at both stations at the end of 2025 and to decommissioning and ash-management obligations, which are incurred whenever the units close. This report does not quantify those amounts, which would require unit-level rate base and depreciation reserve data beyond the scope of the IRP. The observation is narrower: the cost comparison between the preferred plan and the optimized-retirement case reflects system production and capital costs, and the treatment of unrecovered investment is a separate question the IRP does not appear to resolve.

Fuel-Delivery Risk in the Replacement Pathway

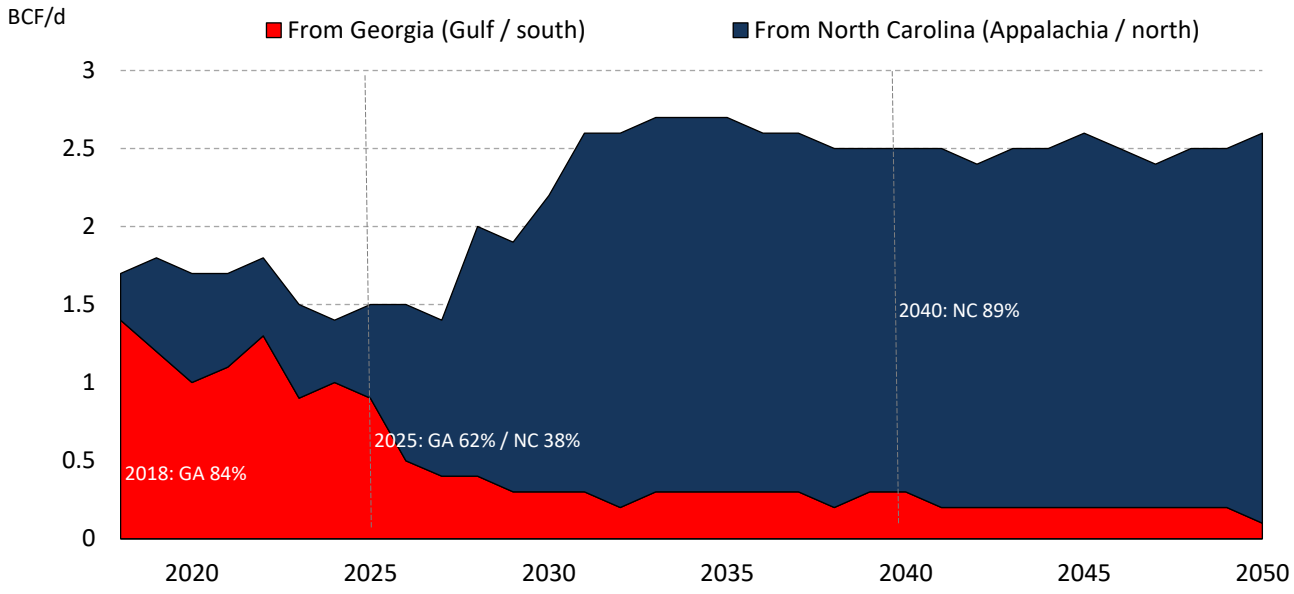
Beyond the risk that any single project slips, the preferred build plan in the IRP changes the character of DESC's firm winter capacity even if every project is delivered on schedule: it shifts the system away from on-site coal inventories toward greater reliance on just-in-time pipeline-delivered natural gas, and it does so in a winter-peaking system where firm cold-weather capacity is especially valuable during extreme weather events. DESC sits in a region where interstate pipeline

flows converge rather than continue, a confluence zone where gas moving north and east from the Gulf Coast and gas moving south from other supply basins both terminate, rather than passing through to further markets beyond. The IRP itself notes that parts of the South Carolina Lowcountry are "increasingly limited by lack of access to firm natural gas transportation service."[34]

Competition for that finite pipeline capacity, and for the underlying gas supply itself, is intensifying on two fronts. Contracted transportation capacity does not guarantee deliverability if the physical gas is not there to move through it, a distinction Winter Storm Elliott made concrete: even where pipeline capacity existed, upstream wellhead freeze-offs meant the molecules themselves were unavailable. To the north, Duke Energy, whose Carolinas system adjoins DESC's and lies largely in North Carolina, is in the midst of an unusually large gas buildout, proposing roughly 9.7 GW of new gas-fired capacity by 2033 (including a new combined-cycle plant in South Carolina) and even adding on-site LNG storage at future plant sites specifically to hedge fuel-supply concerns[35]. At the same time, U.S. LNG exports, now the single largest source of domestic natural-gas demand growth, averaged about 17.4 Bcf/d in the first half of 2026, up 23% year-over-year, with North American export capacity on track to roughly double between 2023 and 2028 (from 11.4 to 24.4 Bcf/d)[36]. A growing share of the nation's gas is therefore committed to export terminals and to competing power plants at precisely the hours when a Southeastern cold snap drives heating and generation demand to their peaks.

That supply direction is also reversing. State-level pipeline-inflow data for South Carolina show that in 2018 about 84% of the gas delivered into the state came from the Georgia (Gulf-fed) direction and only 16% from North Carolina. By 2025 the split had shifted to roughly 62% Georgia and 38% North Carolina, and by 2026 it reverses outright; by 2040 about 89% of South Carolina's pipeline gas is expected to arrive from the north, through North Carolina, drawing on Appalachian (Marcellus/Utica) supply.

EXHIBIT 13: HISTORICAL AND PROJECTED NATURAL GAS INFLOWS TO SOUTH CAROLINA BY SOURCE REGION



Source: EVA Database

[34] Dominion Energy South Carolina's 2026 Integrated Resource Plan, Page 18
[35] Analyzing Duke Energy's 2025/26 Proposed Carbon Plan - NC Sustainable Energy Association
[36] North America's LNG export capacity could more than double by 2029

The consequences of that dynamic are not hypothetical. During Winter Storm Elliott in December 2022, the FERC/NERC joint inquiry found that roughly 90,500 MW, about 13% of the Eastern Interconnection, failed to run or was derated, with freezing and fuel-supply problems (gas-well freeze-offs, pipeline curtailments, and a lack of firm fuel contracts) the leading causes; it was the fifth such cold-weather event in eleven years[37]. Duke's Carolinas systems shed roughly 500,000 customers in North Carolina and 100,000 in South Carolina, and the same inquiry recorded that DESC itself was forced to shed about 94 MW of firm load[38].

This dynamic is not new, nor is it hypothetical to South Carolina specifically. EVA's 2023 South Carolina Electric & Natural Gas Reliability Study modeled the effect of the region's coal-to-gas transition during Winter Storm Elliott and found the Carolinas' gas infrastructure was already operating at its limits: under a post-retirement resource mix, the model required the Transco pipeline to run at maximum capacity in all twelve months of the year and had to activate the little-used Elba Express connection, which links the Elba Island LNG terminal in Georgia to the Transco and Sonat systems, to source an incremental 39 MMcf/d simply to close the supply gap observed in December 2022 — a shortfall in supply, not just capacity. The same study found that DESC's coal units at Wateree and Williams increased utilization from 31% to 53% during the storm's peak, supplying 34% of the utility's incremental generation that day, because their on-site fuel inventory let them respond when the gas system could not. Its conclusion applies directly to the retirements this plan proposes: replacing coal without concurrent gas-infrastructure investment "would inevitably lead to a decline in natural gas and electric power reliability and a subsequent increase in operational costs."[39]

The price consequences in that modeled case were substantial. Removing the coal units and replacing them with the planned gas capacity raised South Carolina's December 2022 natural gas demand by approximately 3.36 Bcf, an 11% increase, with power-sector demand rising roughly 30%. The average delivered natural gas price for the month rose from $7.21 to $8.38 per MMBtu in the modeled case. Because that model ran at monthly granularity, it understates what would have happened on the peak days: the spot price at Transco Zone 5 cleared at $63.49 per MMBtu on December 23, 2022, with the coal units still running and available.

By contrast, the units the preferred plan retires early, Wateree and Williams, burn from an on-site coal stockpile that, for stations of this type, typically holds weeks of fuel. That stockpile is precisely what insulates a coal unit from a pipeline curtailment or a gas-price spike during an extreme-weather event: the fuel is already on the ground. Retaining Williams to the end of its useful life therefore does more than defer replacement capital; it preserves a block of firm winter capacity whose fuel security does not depend on the timely completion or peak-day deliverability of the interstate gas network.

Conclusion

DESC's 2026 IRP does not establish the preferred 2032 and 2034 retirement dates for Wateree and Williams as the only, or necessarily the most economic, path forward. Under the same Reference Market Scenario used for the preferred plan, the optimized-retirement case keeps Williams in service through 2046, lowers the 30-year levelized NPV of costs to customers by $39.4 million, and produces a lower 2040 retail rate while ultimately building the same amount of replacement capacity. Under higher load, the model retains both Wateree and Williams into the mid-2040s.

The case is strongest for Williams and conditional for Wateree, and the distinction is worth stating plainly. Williams is retained to 2046 under DESC's own reference-load optimization, at lower cost and a lower retail rate, with no change in the total capacity built. Wateree is retired in 2032 under reference load even when the model is free to choose, and is retained to 2044 only when the high load forecast applies. The value of preserving Wateree therefore turns on whether the economic-development load DESC has identified materializes. That is a question the record will answer within the next

[37] Record 13% of Eastern Interconnect capacity failed in Winter Storm Elliott: FERC, NERC | Utility Dive
[38] FERC, NERC Release Final Report on Lessons from Winter Storm Elliott | Federal Energy Regulatory Commission
[39] Energy Ventures Analysis, *South Carolina Gas & Electric Reliability Study*, October 2023

several years, and well before 2032. Committing now to a 2032 retirement forecloses the option before the information needed to evaluate it is available.

Cope Station occupies a different position again. It is not proposed for retirement in any build plan and carries a probable retirement date of 2071, but it operates almost entirely on pipeline natural gas. Cope accounts for essentially all of the coal capacity remaining on DESC's system after 2034 under the preferred plan, which means the roughly 6% coal share of firm winter capacity shown for 2040 overstates what coal contributes to fuel-supply diversity in that year. On a delivered-fuel basis, the preferred plan leaves DESC with almost no generation insulated from peak-day pipeline performance. Retaining Wateree or Williams is what preserves that insulation; retaining only Cope does not.

The broader reliability considerations in the IRP reinforce those results. Earlier retirement increases dependence on the timely completion of Canadys, associated pipeline and transmission infrastructure, and a growing regional natural gas system, while the retained coal units continue to provide firm winter capacity and fuel diversity. At the same time, the regulatory environment that previously supported accelerated coal retirement has weakened, and DESC's own modeling shows that higher load growth increases the value of retaining existing dispatchable generation.

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Limitations and Competing Considerations

Several considerations qualify the findings above:

- Continued operation requires continued investment. Operating Williams through 2046 implies major maintenance, coal combustion residuals compliance, and ongoing capital spending that the IRP does not break out at the unit level. The optimized-retirement case is produced by DESC's own model using DESC's own cost assumptions, so the fixed and capital costs of continued operation, including compliance with the 2024 ELG rule, are reflected in the results to the extent DESC represented them. The unit-level assumptions are not broken out in the published IRP, so this report relies on DESC having accounted for the cost of operating the units through the dates its own model selected.
- The cost difference is modest in relative terms. The $39.4 million reduction in the 30-year levelized NPV of costs is less than two percent of the total, a margin within which modeling assumptions can move results. Two features of the result nonetheless make it informative. The direction is consistent across both optimized cases, and the optimized reference case produces the lowest 2040 retail rate of any plan DESC evaluates under the Reference Market Scenario.
- Coal supply is a forward assumption. Continued operation through the mid-2040s presumes that delivered coal remains available at costs consistent with the IRP's fuel price forecasts. Both stations drew predominantly on Central Appalachian supply in 2025. EVA's internal modeling shows sufficient NAPP and CAPP thermal coal supply for the continued operations of Williams and Wateree at historical levels well into the 2040s.
- The optimized-retirement cases are supplemental cases. They were prepared at the direction of the Commission and modeled under the same market scenarios as the core cases, but DESC did not select either as its preferred plan and does not present them as recommendations.
- Non-cost considerations are outside the scope of this analysis. Emissions, air quality, water, and public health effects of continued coal operation are not evaluated here. The IRP reports cumulative CO2 emissions approximately 2% higher under the optimized reference case than under the preferred plan, with both cases reaching a 58% reduction from 2005 levels by 2050.
- The central conclusion is therefore not that Wateree and Williams should operate irrespective of future economics or system conditions. Rather, DESC's own planning record supports preserving the option to operate the units longer where doing so lowers customer costs, maintains reliability, and reduces exposure to replacement-resource and fuel-supply risk. Any future decision to accelerate the current retirement schedule, particularly after a change in ownership, should be evaluated against that record. This report takes no position on how that evaluation should be resolved.